



Twin Creeks Homeowner's Association Members,

The 2018 HOA tax return is attached. As you will see, the HOA ran at a deficit of ~\$51,000 in 2018. Once all the lots are sold, the HOA will be able to fully fund all of its expenses and saving reserves.

The breakeven point was approximately 350 lots sold. The expense breakeven threshold was reached in the 4<sup>th</sup> quarter of 2019. Moving forward, the HOA should be able to cover all of its expenses.

Twin Creeks paid a third-party industry expert in October of 2018 to do an evaluation of the HOA long term needs, and based on that report, an increase of 5% was added to the HOA dues for 2019. The evaluation of future increase needs will be determined by the future HOA leadership, as the developers anticipate turning it over in 2020. There are no planned increased by the developer planned for 2020.

The tax returns were prepared by Price Consulting, LLC, based in Nashville.

Sincerely,

Twin Creeks Development Team

Form **1120-H**

Department of the Treasury  
Internal Revenue Service

**U.S. Income Tax Return  
for Homeowners Associations**

OMB No. 1545-0123

**2018**

Go to [www.irs.gov/Form1120H](http://www.irs.gov/Form1120H) for instructions and the latest information.

For calendar year 2018 or tax year beginning \_\_\_\_\_, and ending \_\_\_\_\_

TYPE OR PRINT	Name <b>TWIN CREEKS VILLAGE HOMEOWNERS 6650 NEW NASHVILLE HWY SUITE 600</b>	Employer identification number <b>81-5088323</b>
	Number, street, and room or suite no. If a P.O. box, see instructions.	Date association formed
	City or town, state or province, country, and ZIP or foreign postal code <b>SMYRNA TN 37167</b>	<b>02/01/2016</b>

Check if: (1)  Final return (2)  Name change (3)  Address change (4)  Amended return

A Check type of homeowners association:  Condominium management association  Residential real estate association  Timeshare association

B Total exempt function income. Must meet 60% gross income test. See instructions **289,172**

C Total expenditures made for purposes described in 90% expenditure test. See instructions **340,466**

D Association's total expenditures for the tax year. See instructions

E Tax-exempt interest received or accrued during the tax year

**Gross Income (excluding exempt function income)**

1 Dividends	1
2 Taxable interest	2
3 Gross rents	3
4 Gross royalties	4
5 Capital gain net income (attach Schedule D (Form 1120))	5
6 Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)	6
7 Other income (excluding exempt function income) (attach statement)	7
8 <b>Gross income (excluding exempt function income). Add lines 1 through 7</b>	<b>0</b>

**Deductions (directly connected to the production of gross income, excluding exempt function income)**

9 Salaries and wages	9
10 Repairs and maintenance	10
11 Rents	11
12 Taxes and licenses	12
13 Interest	13
14 Depreciation (attach Form 4562)	14
15 Other deductions (attach statement)	15
16 <b>Total deductions. Add lines 9 through 15</b>	<b>0</b>
17 Taxable income before specific deduction of \$100. Subtract line 16 from line 8	<b>0</b>
18 <b>Specific deduction of \$100</b>	<b>100</b>

**Tax and Payments**

19 <b>Taxable income.</b> Subtract line 18 from line 17	19	<b>-100</b>
20 Enter 30% (0.30) of line 19. (Timeshare associations, enter 32% (0.32) of line 19.)	20	<b>0</b>
21 Tax credits (see instructions)	21	
22 <b>Total tax.</b> Subtract line 21 from line 20. See instructions for recapture of certain credits	22	<b>0</b>
23 a 2017 overpayment credited to 2018 <b>23a</b>		
b 2018 estimated tax payments <b>23b</b>		
c Total <b>23c</b>		
d Tax deposited with Form 7004 <b>23d</b>		
e Credit for tax paid on undistributed capital gains (attach Form 2439) <b>23e</b>		
f Credit for federal tax paid on fuels (attach Form 4136) <b>23f</b>		
g Add lines 23c through 23f <b>23g</b>		
24 <b>Amount owed.</b> Subtract line 23g from line 22. See instructions	24	<b>0</b>
25 <b>Overpayment.</b> Subtract line 22 from line 23g	25	
26 Enter amount of line 25 you want: <b>Credited to 2019 estimated tax</b> <input checked="" type="checkbox"/> <b>Refunded</b> <input type="checkbox"/>	26	

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

May the IRS discuss this return with the preparer shown below? See instr.  Yes  No

Sign Here

Signature of officer \_\_\_\_\_ Date \_\_\_\_\_ Title \_\_\_\_\_

Paid Preparer

Print/Type preparer's name **David A. Price** Preparer's signature \_\_\_\_\_ Date \_\_\_\_\_ Check  if self-employed PTIN **P00037313**

Firm's name **Price Consulting LLC** Firm's EIN **62-1623931**

Firm's address **3825 Bedford Ave Ste 201 Nashville, TN 37215** Phone no. **615-297-8800**

For Paperwork Reduction Act Notice, see separate instructions.

Form 1120-H (2018)

## Twin Creeks Village Homeowners Association

## Profit &amp; Loss

January through December 2018

12/11/19

Accrual Basis

	Jan - Dec 18
Ordinary Income/Expense	
Income	
ARC Fee Income	0.00
HOA Dues	280,215.87
Tree planting	5,600.00
Total Income	285,815.87
Gross Profit	285,815.87
Expense	
Clubhouse Rental	44,000.00
Contract Labor	1,190.00
Engineering	0.00
HOA Party Food and Beverage	2,028.26
Insurance Expense	10,456.56
Landscaping and Groundskeeping	2,309.36
Merchant deposit fees	2,992.23
Office Supplies	23.78
Payroll Expenses	
Child Support	600.00
Gas Allowance	1,100.00
Paychex fees	3,584.25
Payroll Taxes	22,161.58
Wages	226,769.23
Payroll Expenses - Other	12,957.13
Total Payroll Expenses	267,172.19
Payscape fees	48.87
Portable restrooms	443.77
Professional Fees	5,245.45
Repairs and Maintenance	1,804.76
Small Tools and Equipment	2,150.00
Utilities	601.21
Total Expense	340,466.44
Net Ordinary Income	-54,650.57
Other Income/Expense	
Other Income	
QB Credit Card fees	1,956.81
Total Other Income	1,956.81
Net Other Income	1,956.81
Net Income	-52,693.76

## Twin Creeks Village Homeowners Association

## Balance Sheet

As of December 31, 2018

Accrual Basis

	<u>Dec 31, 18</u>
<b>ASSETS</b>	
Current Assets	
Checking/Savings	
First Vision HOA	56,734.58
Total Checking/Savings	56,734.58
Accounts Receivable	
Accounts Receivable	8,960.19
Total Accounts Receivable	8,960.19
Other Current Assets	
Undeposited Funds	7,117.91
Total Other Current Assets	7,117.91
Total Current Assets	72,812.68
<b>TOTAL ASSETS</b>	<u><u>72,812.68</u></u>
<b>LIABILITIES &amp; EQUITY</b>	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Due to Twin Creeks Properties	72,845.82
Total Other Current Liabilities	72,845.82
Total Current Liabilities	72,845.82
Total Liabilities	72,845.82
Equity	
Retained Earnings	52,660.62
Net Income	-52,693.76
Total Equity	-33.14
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>72,812.68</u></u>